Every family needs a financial advisor.

My family spent the 4th of July holiday in the little town of Beecher, Illinois, which is about a 45-minute drive south from Chicago. My sister-in-law and her husband live there, and every summer they host a family gathering on the 4th. This year was especially important because we held a celebration of life for my mother-in-law, who passed in January 2020. About 25 of us gathered for drinks, dinner, and a memorial service to remember the good times.

My extended family likes having a financial advisor as part of the mix, and when we're together I often get questions about money. This year, Mary's niece's husband (he's at the far left in the picture, holding the brown dog) asked me about the stock options he was awarded through his employment with a technology start-up in Chicago. He didn't have a lot of details, so we made plans to discuss his situation at another time. However, I never shy away from an opportunity to help my young family members get a good start on managing their personal finances, and Michael and I had a good chat about the things he and Mary's niece should be doing that are just as important as managing his stock options. Here are just a few of the things we talked about:

1. **Don't focus on the short-term.** When it comes to building assets for financial security, the short-term is pretty much meaningless. Wealthy people have known this secret for generations. Unless you're a stock day-trader (bad idea), you are better off to ignore the daily gyrations of the financial markets and, instead, focus on the long-term. For example, I told Michael to try to increase his rate of savings bit by bit every year, rather than chase rate of return. He and his wife will likely have to suffer through many financial market gyrations before they retire. Ignoring the short-term will give them a better opportunity to focus, instead, on the power of compounding.

2. **Set goals.** If you don't know where your financial target is, you can pretty much bet you won't hit it. Make your goals SMART: **Specific, Measureable, Achievable, Realistic, and Time-bound.** For example, Michael has some college loans that he wants to pay off as soon as he can (Specific). I suggested the following: decide on the monthly amount he'll devote to the cause (Measureable), make it the first check he writes every month (Achievable), start with the small loans (Realistic), and set a target date to have his debt paid off (Time-bound). SMART goals can work for almost any financial dream one has.

3. **Protect, protect, protect**. It doesn't make sense for most people to start investing for retirement or any other financial goal without protecting what they already have. For Michael and his wife, both of whom have good, well-paying jobs, disability insurance is at the top of the list, followed by life insurance for the long-term, especially when they start having kids. It takes just one disabling accident or premature death to wreak havoc on a young family's financial life.

I've told Michael and my young family members that the road to financial security is a long one for most people and that getting rich overnight is not likely to happen (even with technology company stock options). I likely won't be around to see the final results of my work with them, but I'm determined to help while I can. The same thing goes for you. If you'd like to get a handle on your financial life and try to figure out how to get from here to there, give me a call.

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